

## **Pay for Performance (P4P)**

### **Frequently Asked Questions**

(Updated December 2015)

**Q:** What is Pay for Performance (P4P)?

**A:** Pay for performance is a merit-based pay system that rewards above-average performance, improves efficiency, and encourages participation in programs that improve job performance and skill.

**Q:** Which agencies are eligible to participate in pay for performance?

**A:** All agencies in the State Service as defined in Tennessee Code Annotated, Section 8-30-102 are eligible to participate. Other boards and commissions within the Executive Branch may be included if the agency participates in the 2014-2015 performance management cycle and upon approval of the Commissioners of the Departments of Human Resources and Finance and Administration.

**Q:** Who would not be eligible for performance increases?

**A:** The following employees shall not be eligible for a performance increase:

- Employees within the State Service who are excluded from the salary schedule, or have a salary schedule conducted and implemented pursuant to a statutory pay plan. This includes commissioned officers in the Departments of Safety and Homeland Security and Commerce and Insurance as well as wildlife-specific classifications in Tennessee Wildlife Resources Agency;
- Employees who do not have a performance rating in the 2014-2015 review cycle; and
- Employees with less than twelve (12) consecutive months of service.

**Q:** Does the P4P system provide employees with raises?

**A:** Yes. The system establishes a certain tiered percentage increase to the employee's base salary based on his or her performance.

**Q:** What rating must you achieve to receive a performance increase?

**A:** Any rating of 'Valued' or above will receive an increase.

**Q:** How long must you be an employee to be eligible to receive a performance increase?

**A:** To be eligible, a preferred or executive employee must have completed twelve (12) consecutive full months of employment with the State of Tennessee.

**Q:** Are interim employees eligible for pay for performance?

**A:** No. Interim employees do not receive evaluations, thus, they are not evaluated under the current system. DOHR Rule 1120-01 provides a definition of interim appointments and non-preferred employee.

**Q:** Are employees who are compensated at the top of the range eligible for pay for performance?

**A:** Pursuant to Tennessee Code Annotated, Section 8-30-207, an employee at or above the top step of their salary range shall not be eligible for a performance based salary increase. However, such employees may be eligible for a one time performance bonus.

**Q:** When is the eligibility date for pay for performance?

**A:** Eligibility for pay for performance is determined as of September 30, 2015.

**Q:** How does the eligibility date relate to the required twelve (12) consecutive full months of service?

**A:** An employee must have been hired into state service on or before October 1, 2014 in order to be eligible.

**Q:** If an employee has been promoted or transferred during the current review cycle, will they be eligible to receive a performance increase?

**A:** An employee with 12 consecutive months of service who does not have a performance rating in the current cycle may be eligible for a performance increase based upon the last valid performance document during the 2013-2014 cycle. If no last valid document is available and the employee meets all other eligibility requirements, the employee would be eligible to receive an increase based on the "Valued" percentage.

**Q:** An employee does not receive a performance increase through no fault of his or her own. Will that employee be eligible to receive a performance increase?

**A:** An employee with 12 consecutive months of service who does not have a performance rating in the current cycle may be eligible for a performance increase based upon the last valid performance document during the 2013-2014 cycle. If no last valid document is available and the employee meets all other eligibility requirements, the employee would be eligible to receive an increase based on the "Valued" percentage.

**Q:** What percentage increase can I expect for my rating of Valued, Advanced, or Outstanding?

**A:**

<b><u>Rating</u></b>	<b><u>% Increase</u></b>
Valued	2.5
Advanced	3
Outstanding	4